



Universal Service Administrative Company
Schools & Libraries Division

Administrator's Decision on Appeal – Funding Year 2013-2014

June 09, 2015

Jeannene Hurley
North Carolina Department of Public Instruction
301 N. Wilmington
Raleigh, NC 27601

Re: Applicant Name: NC DIVISION OF JUVENILE
JUSTICE
Billed Entity Number: 232555
Form 471 Application Number: 903594
Funding Request Number(s): 2482546
Your Correspondence Dated: April 22, 2015

After thorough review and investigation of all relevant facts, the Schools and Libraries Division (SLD) of the Universal Service Administrative Company (USAC) has made its decision in regard to your appeal of USAC's Funding Year 2013 Funding Commitment Decision Letter for the Application Number indicated above. This letter explains the basis of USAC's decision. The date of this letter begins the 60 day time period for appealing this decision. If your Letter of Appeal included more than one Application Number, please note that you will receive a separate letter for each application.

Funding Request Number(s): 2482546
Decision on Appeal: **Denied**
Explanation:

- USAC reviewed the Appeal letter and the request to reverse the decision to deny the FY 2013 Internet Access application. FCC Rules require applicants to carefully consider all bids submitted by service providers and to choose the most cost effective solution. Documentation provided demonstrates that the applicant did not consider all of the bids that were submitted. In addition, the service provider may not be involved in the competitive bidding process except as a bidder. Therefore, the applicant has violated the competitive bidding program rules. Since you have not provided any information to reverse the original denial, the appeal is denied.
- FCC rules state that, in selecting a service provider, the applicant must carefully consider all bids submitted and must select the most cost-effective service or

equipment offering, with price being the primary factor, which will result in being the most cost-effective means of meeting educational needs and the technology plan goals. *See* 47 C.F.R. secs. 54.511(a), 54.503(c)(2)(vii), 54.504(a)(1)(xi). *See* also Request for Review of the Decision of the Universal Service Administrator by Ysleta Independent School District, El Paso, Texas, et al., Federal-State Joint Board of Universal Service, Changes to the Board of Directors of the National Exchange Carrier Association, Inc., SLD Nos. 321479, et al., CC Docket Nos. 96-45 and 97-21, Order, 18 FCC Rcd 26407, FCC 03-313 paras. 47-55 (Dec. 8, 2003). Service providers shall not charge the entities a price above the lowest corresponding price. *See* 47 C.F.R. sec. 54.511(b). In order to ensure that applicants are not requesting discounts for services beyond their reasonable needs, USAC denies funding request(s) for not being cost-effective. The costs of the products and services in a funding request should not be significantly higher than the costs generally available in the applicant's marketplace for the same or similar products or services. For example, equipment at prices two or three times greater than the prices available from commercial vendors would not be cost effective, unless there were extenuating circumstances. *See* Ysleta Order para. 54.

Since your appeal was denied in full, dismissed or cancelled, you may file an appeal with the FCC. Your appeal must be postmarked within 60 days of the date on this letter. Failure to meet this requirement will result in automatic dismissal of your appeal. You should refer to CC Docket No. 02-6 on the first page of your appeal to the FCC. If you are submitting your appeal via United States Postal Service, send to: FCC, Office of the Secretary, 445 12th Street SW, Washington, DC 20554. Further information and options for filing an appeal directly with the FCC can be found under the Reference Area/"Appeals" of the SLD section of the USAC website or by contacting the Client Service Bureau. We strongly recommend that you use the electronic filing options.

We thank you for your continued support, patience and cooperation during the appeal process.

Schools and Libraries Division
Universal Service Administrative Company